Division of Healthcare Finance

Projected Reserve Calculation - Current Plans A, B and New Plan C Design with \$2,500/\$5,000 deductible, 100% coinsurance and current HSA contribution no increase for 3 years

Medical, Pharmacy, Dental and Vision Date of Projection: 3/29/2012

Plan Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Factors and Assumptions	Actual Factors	Actual Factors	Projected Factors and Assumptions										
Interest Rate on Reserves	0.9%	0.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Admin/Contract Fee Trend	3.2%	-4.9%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Healthcare cost trend rate	2.8%	1.9%	5.0%	5.0%	6.0%	7.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
	HCC Policy	HCC Policy	HCC Policy	HCC Policy									
	Choices in	Choices in	Choices in	Choices by	Future	Policy Choices.							
Policy Choices	May 2009	May 2010	May 2011	May 2012									
Employer Contr. % incr. (eff. July 1)	12.5%	15.0%	7.5%	0.0%	0.0%	0.0%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
Employee Contr. % incr. (eff. Jan 1)	7.5%	8.0%	44.0%	0.0%	0.0%	0.0%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
Dependent Contr. % incr. (eff. Jan 1)	7.5%	8.0%	-7.4%	0.0%	0.0%	0.0%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
Direct Bill Contr. % incr. (eff Jan 1)	12.4%	14.7%	8.2%	0.0%	0.0%	0.0%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
Reserves													
Beginning reserve earning interest	11,880,073	11,991,989	12,017,362	12,167,579	12,319,674	12,473,670	177,975,761	146,101,508	119,050,759	98,052,302	84,523,293	80,094,033	86,635,791
Beginning reserve not earning interest	78,295,832	74,866,652	102,929,048	143,157,657	179,002,354	188,654,636	0	0	0	0	0	0	0
Beginning Total Reserve Balance	90,175,905	86,858,641	114,946,410	155,325,236	191,322,028	201,128,306	177,975,761	146,101,508	119,050,759	98,052,302	84,523,293	80,094,033	86,635,791
Projected Cash Flow													
Total Employer Contributions	293,900,171	324.743.377	354.771.632	367.594.703	367,594,703	367,594,703	386.465.094	426,143,292	469,895,233	518,139,166	571,336,281	629,995,121	694,676,437
Total Participant Contributions	127,392,488	129,927,400	131,238,853	134,158,116	135,942,585	138.254.047	151,384,011	165,967,551	181.996.057	199,614,092	218,980,745	240,271,094	263,677,817
Total Contributions	421,292,659	454,670,777	486,010,485	501,752,819	503,537,288	505,848,750	537,849,105	592,110,843	651,891,290	717,753,258	790,317,026	870,266,215	958,354,254
Total Contributions	421,232,033	434,070,777	480,010,483	301,732,819	303,337,288	303,848,730	337,649,103	332,110,643	031,831,230	/1/,/33,236	750,317,020	870,200,213	336,334,234
Total Plan Expenses (Claims, ASO fees &													
contracted expenses)	424,721,839	426.608.381	446.794.377	467.055.622	493,885,006	529.157.216	571.948.055	620.987.861	674.377.880	732.507.921	795,802,827	864,725,632	939,780,993
contracted expensesy	424,721,033	420,000,381	440,754,577	407,033,022	455,665,000	323,137,210	371,540,055	020,307,001	074,377,000	732,307,321	755,602,627	804,723,032	333,760,333
Interest on Reserves	111,916	25,373	150,217	152,095	153,996	155,921	2,224,697	1,826,269	1,488,134	1,225,654	1,056,541	1,001,175	1,082,947
Net Cash flow	(3,317,264)	28,087,769	40,378,826	35,996,791	9,806,278	(23,152,545)	(31,874,253)	(27,050,749)	(20,998,456)	(13,529,010)	(4,429,260)	6,541,758	19,656,209
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Projected Reserve Balance													
Reserve Ending Balance	86,858,641	114,946,410	155,325,236	191,322,027	201,128,306	177,975,761	146,101,508	119,050,759	98,052,302	84,523,293	80,094,033	86,635,791	106,292,000
Target Reserve	48,651,000	51,193,006	50,274,000	52,570,000	55,613,000	59,617,000	64,477,000	70,050,000	76,118,000	82,725,000	89,921,000	97,758,000	106,292,000
Difference between the Reserve Ending Balance													
and Target Reserve	38,207,641	63,753,404	105,051,236	138,752,027	145,515,306	118,358,761	81,624,508	49,000,759	21,934,302	1,798,293	(9,826,967)	(11,122,209)	(0)
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Ending Balance as a Percent of Claims	20.5%	26.9%	34.8%	41.0%	40.7%	33.6%	25.5%	19.2%	14.5%	11.5%	10.1%	10.0%	11.3%

Total Contributions for 2011 include \$2,870,534 from the ERRP, 2012 includes \$1,012,500 and 2013 includes \$1,147,500 from SB572 Total Contributions for 2011 includes \$187,606 for settlement of pharmaceutical class action lawsuit